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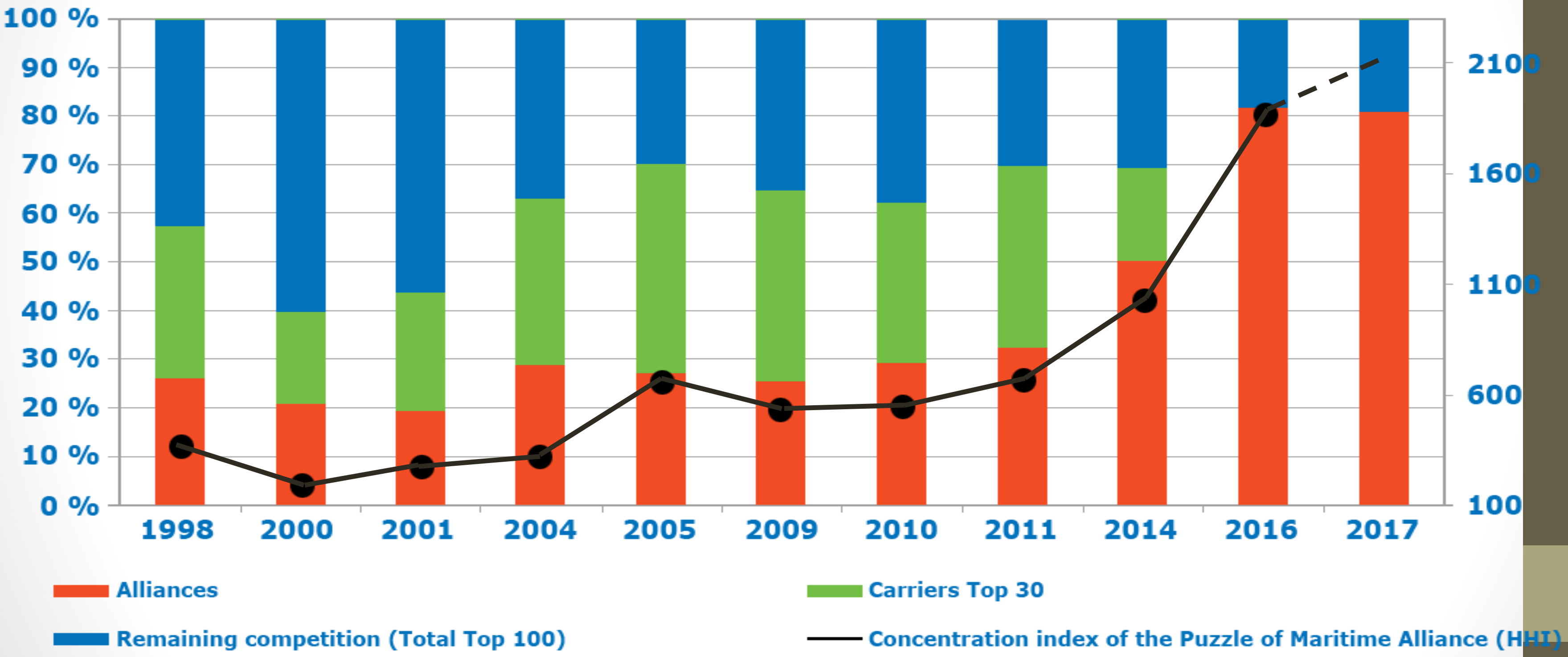
Intermodal connections and Maritime Ports: the next quantum leap.
Livorno position in perspective.

April 18th, 2018

Combined Transport – Line's view

- An additional way to control traffics (Carrier Haulage)
- Merchant Haulage, though, is still prevalent. Major Ffwrs are more and more specifically organized to maximise trucking logistics, i.e. increasing their control on the round-trip moves.
- Shipping Lines never considered combined transport as a Profit Center, meaning it had to support Commercial acquisitions;
- As a matter of fact, this area of business hardly ever granted any reward to them, remaining in the red for most of the Lines
- IMBALANCE issues (imp/exp, but also 20'vs 40' or HC) require huge empty repositioning policies;
- Risk of opening up too many internal DEPOTS to support cargo flows (increasing in parallel with the size of the Line)

In the meantime…Carrier concentration



...and Industry consolidation

1992
- APL
- Choyang
- CMA
- CGM
- Cosco
- CSAV
- CSCL
- Delmas
- DRS - Senator
- Evergreen
- Hanjin
- Hapag-Lloyd
- HMM
- K line
- Maersk
- MISC
- MOL
- MSC
- Nedlloyd
- NOL
- Norasia
- NYC
- OOCL
- P&O
- Sealand
- Seatramar
- Torm Liner Service
- UASC
- Yang Ming
- ZIM

1998
- Norasia, CMA CGM
- Hapag Lloyd, MISC, Nedlloyd, NYK, OOCL, P&O
- Cosco, K Line, Yang Ming
- Choyang, Hanjin – Senator, UASC
- HMM, MOL, NOL - APL
- MSC
- Zim
- CSCL, CSAV
- Maersk, Sealand
- Evergreen, Lloyd Testino
- Torm Liner Service

2000
- Norasia, CMA CGM
- **Grand Alliance NYK**: Hapag Lloyd, MISC, OOCL, P&O
- **CKY Consortium**: Cosco, K Line, Yang Ming
- **New world Alliance**: APL, HMM, MOL
- **United Alliance**: Choyang, Hanjin, UASC, ZIM
- CSCL
- MSC
- Maersk - Sealand
- Evergreen - LT
- Torm Liner Service

2005
- CMA CGM, Delmas
- **Grand Alliance NYK**: Hapag Lloyd, MISC, OOCL
- **CKYH Alliance**: Cosco, Hanjin - Senator, K Line, Yang Ming
- **New world Alliance**: APL, HMM, MOL
- UASC
- CSCL - Zim
- MSC
- Maersk
- Evergreen
- CSAV Norasia
- P&O Nedlloyd

2010
- CMA CGM
- **Grand Alliance**: Hapag Lloyd, NYK, OOCL
- **CKYH Alliance**: Cosco, Hanjin, K Line, Yang Ming
- **New world Alliance**: APL, HMM, MOL
- UASC
- CSCL - Zim
- MSC
- Maersk
- Evergreen

2016
- CMA CGM, MSC
- **CKYH Alliance**: Cosco - CSCL, Hanjin, K Line, Yang Ming, Evergreen
- **G6**: Hapag Lloyd, HMM, MOL, NYK, OOCL
- **2M**: Maersk, MSC
- **OCEAN 3**: CMA CGM – APL, UASC

2017
- **Ocean Alliance**: CMA CGM, Cosco, Evergreen, OOCL
- **The Alliance**: UASC, K Line, MOL, NYK, Yang Ming
- **2M**: Maersk, MSC, Hyundai

Combined Transport – MTO's view

- Italian **geographical structure** always made their service structuring difficult
- The well-known data state:
- 85% of goods move on distances below (or equal to) 200 km;
- 33% of road traffic, in terms of tons-km, moves on distances above 400 km. Here, a chance to compete with trucking exists.

- The same can be said of the **infrastructural costs and bottlenecks**:

- In/out moves not always guaranteed by Shipping Lines;
- Costly equipment (low bed chassis for HC, for instance);
- Last mile organisation, in terms of service and costs;
- Terminal infrastructures not always in line with efficiency standards.

Current feelings

- Even the most successful operations still show low intermodal percentages out of their total moves:
- La Spezia, 35% - VTE, 17% - Sech, 9% - Trieste, 40% - TDT, 20%.
- The further South you move – then – intermodal mode becomes a non-concept (with the notable exception of GIT in their peak days).
- We'd seem to witness an almost impossibility to further grow, in technical and economical terms, and receive feedbacks "as if" this area of business could survive in the private sector as a support to other interests only.
- Not to mention the constant reference to Public subsidies any time the subject is referred to.
- It has to be said that trucking mode has been indirectly subsidized during the years, as well.

What's next

- What is coming up so strong, so that a change of mind-set is needed?
- European Corridors are moving slowly, but steadily
- Local authorities should fight for and define a proper "TIMING", a known factor for all operators;
- New trends:
- shipping lines become terminal operators or want to diversify on the MTO side;
- others liaise with e-commerce giants (Alibaba);
- Amazon wants to become a forwarder;
- the Silk-road implications are yet not evident, but numbers speak for themselves.
- Logistics and competition will change as a consequence: STAY CLOSE TO YOUR CUSTOMERS AND PROVIDERS to "smell" changes to come.

TEN-T Corridors

Corridors involving Italy

- 1) Baltic Adriatic (Gdansk/Rep.C/Slo/East Au/Koper/Ts/Ve/Rav)
- 3) Mediterranean (Alg/Vlc/Bcn/Hungary/Ukr/ via Mrs/Lyon/Northern Italy/Slo/Cri)
- 5) Scan Med (Finland/Sweden/Dk/Ger/Au/ITA/Malta)
- 6) Rhine Alps (Anr/Rtm/Ams/Basel/Milan/Genoa)

Scan Med Corridor (5)

- BRENNER BASE TUNNEL (2026)
- Fehmarn Belt (2026)

Ten-T technical standards

- Convoy capacity: 2.000 tons (currently 1.600 tons);
- Convoy length: 750m (currently never above 600m, 500m in the Genoa area.
- Convoy gauge (Gabarit): 4m high, to allow load of trailers and 40’HC ctrs;

The very structure of the base tunnels will allow an increased convoy speed and lower consumption levels.

Capacity Bottlenecks to be avoided: alignment of the governance structure of core network corridors needed. Every country on the Corridor has to cope with the overall picture.

Italian Ports and Livorno

- Infrastructural Projects to be finalized in the next years (Vado Ligure, Calata Bettolo-GE, Darsena Europa-LI), coming on top of current terminal offer, will necessarily require rail and combined transportation to be exploited, to cope with the increased volume in terms of time/space, and environmental motivations, as well.
- Livorno is already enjoying an Italian first-time electrified connection between Terminal (TDT) and National Network, with no need to shunt cargo through Calambrone marshalling yard.
- TDT is now directly responsible of the remaining 100m diesel shunting, dealing with MTO's. We are learning a lot, and the shipping community as well.
- We can sell the adjective "easy" attached to logistics in Livorno. OPEN SPACES, CONNECTIONS, WAREHOUSES, DRY PORT. This will not change, but be complemented by rail connections to Italian and foreign destinations.
- Darsena Europa should be operational by then, exploiting the change.